

Mr. ROBERT BUTLER,
Director, Small Business Administration,
Anchorage, Alaska.

DEAR MR. BUTLER: You may have heard about the proposal of the U.S. Treasury Department to open Alaska to the Export of round logs. A hearing on this matter has been called in Washington by the Small Business Administration before a Senate Committee headed by Sen. Wayne Morse of Oregon. Many sawmills in Oregon and Washington have already closed because of round log export to Japan and others are being threatened with closure. Seems that the Japanese need the round logs and will pay almost any price to get them.

The S.B.A. wants to help them and it is a critical situation. To keep the mills of Oregon and Washington operating they insist on rolling back round log export to the 1966 level, which they say they can live with. Then, to offset the reduction of export logs from Oregon and Washington, they propose to make up the difference by exporting the required quantity of round logs from Alaska.

In theory this may seem well and good. It would satisfy the Treasury Dept. by keeping the export dollars flowing in. It would be allright with Oregon and Washington Mills as many of them feel that Alaska has had preferred treatment from the U.S. Forest Service. But such a plan, if carried out, would be the height of folly and would not accomplish the objective. It would cost the U.S. Govt. more direct dollars than it would receive from the export of the round logs. It would be like killing the Goose now laying golden eggs. Here is the situation.

1. Alaska is rapidly developing logging, sawmills and pulp mills. This is due to the wise policy of the Forest Service in requiring primary manufacture in Alaska. This provides thousands of jobs for Alaskans and many direct sources of tax revenue to the U.S. Govt., the State of Alaska and local towns and Burroughs.

2. Open Alaska to round log export and you will kill this growing industry. No doubt about it. How could we possibly compete on any subsequent timber sale when we would have to bid against Export operators. Our mills, and possibly the pulp plants, would grind to a stop in less than a year. We could not afford to saw our \$50.00 logs when we could get \$80.00 by exporting.

3. Export logs from Alaska! I say what logs? Those not familiar with Alaska say "they have great quantities of unused timber rotting on the stump". What foolishness! The facts are that we are nearing the allowable annual cut of both the U.S. and State Forests in Alaska. With the placing of the Admiralty Block, now up for contract, and the Afognak Timber coming up for sale March 1st, it does not leave a great volume of timber available. This remaining volume is being prepared for bids by the U.S. Forest Service and will find a ready sale in Alaska as fast as it is ready for bids.

4. To cancel the carefully worked out plans of the U.S. Forest Service for harvesting the Alaska timber would be about the worst mistake the Administration could make. Not only would it ruin our Forests, denude our land of timber faster than it could be regrown, but it would be unfair to the generations of Alaskans to come. This is part of their heritage. We cannot fail them because of the current pressure to develop some export dollars.

5. We should thank and encourage the officials of the U.S. Forest Service for their wise management of Alaska Forests and then let these experts decide what can and cannot be done in the best interests of all concerned—the U.S. Treasury Department included.

6. We can do this: Request the Forest Service as rapidly as possible to allocate the remaining timber under the present allowable cut schedule. We can and we will produce more lumber and more export cants and thus provide the additional export dollars. But we will do this as now being done—by primary manufacture in Alaska—the only fair and right way. In doing it the Forest Service will make provisions for the existing mills, setting up blocks of timber to give them a backlog of timber, permitting them to stay in business. Some of the existing mills will need to expand. Other sawmills may have to be installed, possibly at Juneau, Sitka and Yakutat, in addition to the ones projected for Afognak and Seward. But this will do the job and will keep Alaska moving forward.

7. In conclusion we urge you to present these facts at the hearing in Washington, D.C. on Tuesday, Jan. 16th and to do all you can to prevent the easing of the present export restrictions on round logs from Alaska.

Sincerely,

COLUMBIA LUMBER CO. OF ALASKA,
 THOS. A. MORGAN, *President.*